(d) The total number of small industries provided these loans by public sector banks during the last three years from March, 2005 to March, 2007 is as under;

Year	No. of Industries
2005	17.10 lakh
2006	17.28 lakh
2007	20.02 lakh

Fire at Income Tax Office in Mayur Bhavan, New Delhi

777. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether a fire broke out in Income-tax Office in Mayur Bhawan in New Delhi;

(b) if so, the extent of damage caused thereby;

(c) whether the cause of fire has been inquired into, and

(d) if so, the findings thereof and the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. A fire broke out in Income-tax Office on 7th floor of Mayur Bhawan, New Delhi in the early morning of 6th October, 2007. It was put out by the Delhi Fire Service.

(b)The fire damaged/destroyed some Income-tax records, administrative records, office furniture and equipment.

(c) An FIR has been lodged with the Delhi Police on 6.10.2007. Enquiries are being carried out by Delhi Police. No report has been received from them so far.

(d)The outcome of investigation by the Police with regard to cause of fire is awaited.

High rate of interest charged by money-lenders

778. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that money-lenders, in rural areas are charging monthly interest rate more that 2 to 15 per cent to the poor and needy and many deprived persons commit suicide due to their inability to repay the money borrowed;

(b) if so, what is Government's reaction thereto, indicating steps taken for providing more credit facilities to the poor against nominal interest rate;

(c) the measures taken or proposed to be taken against such money-lenders with the help of various State Governments;

(d) whether Government is considering to bring any legislation for regulating the unorganized money lending sector; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sir. However, there are many reasons behind the suicides by the farmers. Excessive borrowing from formal and non-formal sources, social tension, continuous drought affecting the yield and their income, emerging changes in social

milieu and alienation of the individuals from family and society are some of the major reasons reported for the distress situation of the farmers leading to suicide.

Keeping in view the extreme conditions of the farmers and to address the issue of farmer's distress, the Government of the India has announced a rehabilitation package in the identified 31 debt stressed districts of Andhra Pradesh, Karnataka, Kerala and Maharashtra.

To ensure that the farmer receives Short-Term Production Credit at 7% upto Rs. 3 lacs on the principal amount, from Kharif 2006 the Government is providing interest subvention of 2% per annum to Public Sector Banks, Regional Rural Banks (RRBs) and Cooperative Banks on their lending from their own resources and concessional refinance by NABARD to Cooperative Banks and RRBs.

(c) to (e) Reserve Bank of India set up a Technical Group to review the efficacy of the existing legislative framework that governs money lending as also the enforcement machinery in different States and make recommendations for its improvement.

The report of the Group has been submitted and is placed on the website of RBI for comments of the stakeholders. The process of consultation is to take some time as the report has been sent to all the State Government also for their comments. In the circumstances no time frame for its implementation can be specified.

The model legislation proposed by the Technical Group, *Inter-alia,* provides for the following:

- a simple and hassle free procedure for compulsory registration and periodical renewal of their registration by money lenders;
- a simplified dispute resolution mechanism to ensure better enforcement;
- adoption of the rule of 'Damdupat' restricting the maximum amount of interest chargeable by the money lender.

Plan for merging Regional Rural Banks

779. SHRI EKANATH K. THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has chalked out a plan to merge thirteen more Regional Rural Banks (RRBs) as a part of its consolidation strategy to make them viable;

(b) whether it is also a fact that with these mergers the total number of RRBs in India drops to eighty two from the present ninety five; and

(c) if so, the details about the criteria for proposed mergers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As per section 23 A of Regional Rural Banks (RRBs) Act, 1976 the Government had initiated a process for amalgamation of RRBs sponsored by the same Bank within a State in consultation with National Bank for Agriculture and Rural Development (NABARD), State Government concerned and the Sponsor Bank, in September, 2005. As a result thereof, 147 RRBs have been amalgamated into 46 RRBs. The Consultation Process is on with NABARD, State Government concerned and the Sponsor Banks to explore the feasibility of amalgamation of RRBs, sponsored by the same Bank within a State.

(b) The total number of RRBs would depend upon the number of RRBs amalgamated.

(c) The criteria for amalgamation is that it should be in the public interest or in the interest of development of the area served by the RRB or in the interest of RRBs themselves, as per the provisions of Section 23 A of RRBs Act, 1976 for amalgamation of RRB.